

WASHINGTON POST
28 August 1986

Libyan Terrorism Threat Real, White House Says

By Lou Cannon
Washington Post Staff Writer

LOS ANGELES, Aug. 27—The White House denied today that it had exaggerated the threat of prospective terrorist activities by Libyan leader Moammar Gadhafi or was seeking to scare him into an irrational reaction.

"Our goal is to prevent Gadhafi from doing things, not to provoke him," said White House spokesman Larry Speakes.

Responding to published accounts that raised questions about the extent of the Libyan threat and the administration's current strategy for dealing with it, Speakes said the government was "dealing with realities" in its warnings about Gadhafi. Without giving details, he said the administration has evidence that Gadhafi "had not been deterred" by the U.S. bombing raid on April 15.

A senior White House official who briefed reporters here today said also that the U.S. government had "credible" intelligence information that Gadhafi was planning new terrorist activities against U.S. targets. He declined to give any details on the grounds that it was against White House policy to discuss intelligence reports.

When U.S. planes bombed Libyan targets in April, President Reagan said the action was in retaliation for the terrorist bombing of a West Berlin discotheque 11 days earlier that killed two U.S. servicemen and a Turkish woman and wounded scores.

The senior official who briefed reporters specifically denied an account in The Washington Post today that the U.S. government, after meetings between Secretary of State George P. Shultz and CIA Director William J. Casey, had embarked on a campaign to frighten Gadhafi into reacting and to embolden possible opponents into taking action against him.

The Post story said that officials in several agencies attributed a Wall Street Journal report Monday that Libya and the United States "are on a collision course again" to staff members in the National Security Council, where the "scare Gadhafi" campaign was prepared.

The senior official who briefed reporters here today referred to the Journal article as "unauthorized but highly authoritative" and defended its accuracy. White House officials have been telling reporters since the article appeared that it is generally accurate.

These officials have also acknowl-

edged that the United States seeks to encourage internal opposition to Gadhafi, as The Post reported in its recent stories. Speakes alluded to this strategy in a briefing in Santa Barbara on Monday, saying that Gadhafi has "internal problems."

At his briefing, Speakes also took issue with a story in today's New York Times, which questioned whether the administration had any "hard evidence" to support its claims that Libya was planning terrorist attacks and said that speculation about such activity "had got out of hand."

Speakes attributed this story to "mid-level officials" in Washington and said "those who are talking don't know [about the reports of new terrorist planning] and those who know aren't talking."

Speakes identified those who do know as the president, national security affairs adviser John M. Poindexter, Shultz and White House chief of staff Donald T. Regan. All are in California except Regan who, before going on vacation last weekend, met with Shultz in Palo Alto.

In an effort to keep pressure on Libya, U.N. Ambassador Vernon Walters will discuss tightening U.S. sanctions against Libya on a trip to Europe beginning Saturday, State Department sources said.

Among the ideas to be discussed are a certificate system under which European nations would be required to stipulate that refined petroleum products shipped to the United States do not contain any crude oil from Libya. The shipment of petroleum products refined in Europe from Libyan crude oil was among the loopholes for indirect business left in Reagan's most recent sanctions against Libya.

Another loophole in Reagan's order was that it did not apply to European subsidiaries of American companies, because of a desire to avoid the sort of legal and political conflicts with the Europeans that arose from Reagan's 1982 decisions against a proposed Soviet natural gas pipeline.

Walters plans to explore extending the existing ban on U.S. firms' transactions with Libya to a select group of subsidiaries that do much of their business in Libya.

He is also expected to ask European nations to tighten their sanctions against business with Libya.

Staff writer Don Oberdorfer contributed to this report.